



# County of Los Angeles

## CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN  
Chief Administrative Officer

September 30, 2005

To: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### SACRAMENTO UPDATE

#### Legislative Analyst Issues Report on California's Budget

The Legislative Analyst's Office (LAO) issued its annual report, California Spending Plan 2005-06, which provides a detailed description of the adopted budget and budget related legislation. The complete report is available on the LAO web site at [http://www.lao.ca.gov/2005/spend\\_plan/0905\\_spend\\_plan.pdf](http://www.lao.ca.gov/2005/spend_plan/0905_spend_plan.pdf). Of particular interest is the LAO's assessment that despite improving revenues which considerably helped reduce the projected budget shortfall for FY 2005-06, the State's structural budget problem remains a major concern. In its November 2004 fiscal forecast, the LAO estimated year-end operating deficits of \$7.3 billion for FY 2005-06 and \$10 billion in FY 2006-07, which are now projected to be \$3.4 billion and under \$9 billion, respectively. In addition, the LAO estimates that the current budget contains about \$2 billion in ongoing savings, which coupled with the early repayment of the Vehicle License Fee Gap Loan to local governments, could reduce the projected FY 2006-07 shortfall from \$9 billion to around \$6 billion. In November, the LAO will be updating its projections for FY 2005-06 and future years to reflect the actions taken in the final month of the legislative session.

#### Status of County-Interest Legislation

**County-supported AB 13 (Goldberg)**, which would establish the California Racial Mascots Act to prohibit public schools from using the term 'Redskins' as a school or athletic team name, mascot, or nickname beginning January 1, 2007, was vetoed by the Governor on September 29, 2005. In his veto message, the Governor stated that last year he vetoed a nearly identical bill because it added another non-academic State

administrative requirement, thereby diverting the focus from increasing student academic achievement. The message also states that administrative decisions regarding athletic team names, nicknames, or mascots should be retained at the local level.

**County-supported AB 22 (Lieber and Liu)**, which defines and provides deterrents to the crime of human trafficking, which involves the recruitment, transportation, or sale of persons for forced labor, was signed by the Governor on September 21, 2005. The measure becomes effective January 1, 2006.

**County-supported AB 109 (Chan)**, which requires county First 5 Commissions to: 1) adopt policies regarding conflict of interest and contracting and procurement procedures; 2) adopt a limit on the amount of its operating budget that can be spent on administrative functions; 3) adopt policies and processes to establish the salaries and benefits of employees of the county commission; and 4) send its annual audit and report to the State First 5 Commission, was signed by the Governor on September 22, 2005. This bill was double-joined to County-supported SB 35 (Florez), which the Governor has also signed, and becomes effective January 1, 2006.

**County-supported AB 327 (De La Torre)**, which establishes a new, voluntary \$50 fee for the issuance or renewal of a physician and surgeon's license certificate to fund the Steven M. Thompson Physician Corps Loan Repayment Program, was signed by the Governor on September 22, 2005. The measure becomes effective January 1, 2006.

**County-supported AB 1511 (Evans)**, which would authorize the County of Los Angeles and several other counties to employ the design-build contracting method for the construction of public buildings and improvements, extend the sunset date in the design-build statute from January 1, 2006 to January 1, 2011, and make other changes related to the use of the design-build contracting method, was signed by the Governor on September 22, 2005. This measure was double-joined to County-supported SB 287 (Cox), which the Governor has also signed, and becomes effective January 1, 2006.

**County-supported SB 35 (Florez)**, which requires: 1) the county First 5 Commission to send its annual audit and report to the State First 5 Commission by November 1 of each year; 2) the State First 5 Commission report to include a listing, by category, of the aggregate expenditures on program areas funded by the State and county commissions; and 3) the Controller to issue guidelines for expanded annual audits of each county commission, was signed by the Governor on September 22, 2005. This bill was double-joined to County-supported AB 109 (Chan), which the Governor has also signed, and becomes effective January 1, 2006.

**County-supported SB 287 (Cox)**, which would authorize the County of Los Angeles and several other counties to employ the design-build contracting method for the construction of public buildings and improvements, extend the sunset date in the

design-build statute from January 1, 2006 to January 1, 2011, and make other changes related to the use of the design-build contracting method, was signed by the Governor on September 29, 2005. This measure was double-joined to County-supported AB 1511 (Evans) which the Governor has also signed, and becomes effective January 1, 2006.

**County-supported SB 640 (Escutia)**, which appropriates \$5 million in one-time-only Federal quality carryover child development funds to continue local programs of training and technical assistance to child care providers to increase their capacity to care for children with disabilities, was signed by the Governor on September 29, 2005. The measure becomes effective January 1, 2006.

### **Legislation of County Interest**

**AB 823 (Nava)** ratifies and approves California's participation in the national Emergency Management Assistance Compact (EMAC) which was enacted by Congress in 1996. EMAC facilitates mutual assistance between states in the event of declared emergencies and disasters by establishing standardized procedures for requesting and providing assistance. States that receive assistance under EMAC are legally responsible for reimbursing assisting states and liable for out-of-state personnel. In addition, AB 823 specifies that county personnel deployed under the provisions of EMAC are defended by the Attorney General or other state legal counsel and indemnified as state employees.

AB 823 passed the Legislature as an urgency measure in the closing days of the legislative session. It was signed by the Governor on September 13, 2005 and becomes effective immediately, making California the 49<sup>th</sup> state to ratify EMAC.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:VE:EW:hg

c:     Executive Officer, Board of Supervisors  
        County Counsel  
        Local 660  
        All Department Heads  
        Legislative Strategist  
        Coalition of County Unions  
        California Contract Cities Association  
        Independent Cities Association  
        League of California Cities  
        City Managers Associations  
        Buddy Program Participants